

6.1 TRANSPORTATION TECHNOLOGIES: CLEAN CITIES/ALTERNATIVE FUELS

Legislation: The Clean Cities/Alternative Fuels program is authorized under Section 505 of EPACT, under the title Voluntary Supply Commitments.

Estimated Funds Available: \$4.5 million

Estimated Number of Projects: See section below on Projects Requested in 2002.

Funding Ceilings: See project descriptions below in Projects Requested in 2002 for any project funding ceilings.

Cost Share: A 33 1/3% non-DOE cost share is required for categories 1a and 2. A 20% non-DOE cost share is required for category 3 and 4, and a 50% non-DOE cost share is required for categories 1b and 5.

For example, where a 33 1/3% cost share is required, and the total cost of the project is \$150,000, DOE's share would not exceed \$100,000 and the grantee's cost share would be at least \$50,000. Where 20% cost share is required, and the total cost of the project is \$100,000, DOE's share would not exceed \$80,000, and the grantee's cost share would be at least \$20,000 and the grantee's cost share would be at least \$20,000. When cost share specifies a cash contribution, it cannot be in-kind.

Background

The goal of the U.S. Department of Energy's (DOE) Clean Cities program is to accelerate the development of a sustainable alternative fuels market through public/private Clean Cities partnerships formed around the country. The program will continue to provide funds to State Energy Offices for Special Projects to support Clean Cities' alternative fuels and alternative fuel vehicles (AFV) through the development of infrastructure, niche markets, and strategic alliances between the Federal, State and local government partners and private sector Clean Cities stakeholders.

For the 2002 Special Projects, the Clean Cities program is offering funding in five categories listed below to help ensure that local Clean Cities coalitions are vibrant, active coalitions enabling fleet customers to increase their use of AFVs:

- 1) projects that promote acquisition of commercially-available AFVs that maximize alternative fuel use, especially when those vehicles support AFV niche market activity center or niche deployment strategy; and projects that promote the development of AFV platforms;
- 2) projects that promote AFV infrastructure development;
- 3) projects that promote the acquisition of AFV school buses;
- 4) projects that promote AFV visibility with vehicle signage; and
- 5) projects that provide cost sharing toward the salary of a Clean Cities Coordinator.

Procedural Guidelines

- In all cases, letters of commitment (not support) must accompany the proposal to substantiate cost share. Without letters of commitment, cost-share will be assumed to be not met, and the proposal cannot be considered.

- Fuel provider fleets covered by EPart are not eligible to receive funds to purchase vehicles for their own fleets under the Niche Market category. Fuel providers, as participating private-sector partners, must be in compliance with the EPart alternative fuel vehicle acquisition rule in order to be eligible to receive Clean Cities funding under any other category.
- States must submit special project proposals for alternative fuel transportation projects in partnership with their local, officially-designated Clean Cities coalition.
- Only projects located in active, designated (or approved for designation) Clean Cities are eligible for funding. The primary proposer must be a coalition stakeholder. An “active” coalition is one with a valid and approved Memorandum of Understanding with DOE. “Approved for designation” means that DOE has authorized a designation ceremony for a coalition, making the coalition eligible to complete.
- Projects are evaluated on the value of cost share, and the type of in-kind services being offered, not necessarily the total declared value of the contribution in the proposal, although the minimum requirement must be met. For instance, services such as general office costs, which would be paid regardless of SEP funding, are valued much lower than a strictly financial contribution tied directly to the project.
- Funds for categories 1-3 are intended to pay for hardware. However, DOE recognizes that project management costs may be necessary. If project management costs are included in the budget, the project manager must be identified and his/her responsibilities described (project management costs are not the same as administration costs). If a Clean Cities Coordinator has received a grant award to support a full-time coordinator position, that coordinator cannot claim project management costs on another grant under 6.1.
- DOE grant money cannot be used to cover the incremental cost of any vehicle which has also received (or will receive) DOE rebate money.
- Proposals must be adequately documented. If hardware is to be purchased, bids identifying hardware cost should be included.
- If the proposer requests funding from more than one special project category, a separate proposal for each category must be submitted for evaluation. For example, projects that entail funding for both vehicle acquisition, and infrastructure development to fuel those vehicles, must be submitted as two separate proposals addressing the criteria identified in the Niche Markets and Infrastructure categories, respectively.
- A final report including the following pertinent information must be submitted:
 - Niche Markets (Category 1) and School Buses (Category 3) - Vehicle procurement schedule or anticipated delivery dates, copies of vehicle purchase orders placed with dealer or invoices clearly indicating alternative fuel options and costs. Lists of applicable rebates or other non-DOE incentives applied for or received..
 - Infrastructure (Category 2) - Site identification, project construction schedule, permit verification, equipment selection with itemized costs or final bid information, and final list of fleet participants and key partners.
 - Signage (Category 4) - A description of the vehicles in service, a photo of the vehicle (s) with signage, the number of vehicles and the length of time the vehicles will be in service.
- The performance track record of prospective grantees which have received previous grants will be taken into account. Applicants must describe the status and results of previous grants in the application.
- Applicants should be aware that permits may be required for many infrastructure projects. If the applicant does not have the required permits within one year of the grant negotiation date, funds for the grant will be de-obligated.

Projects Requested in 2002

Category 1a: Niche Markets - Projects that promote acquisition of AFVs in “Niche Market” Fleets. Funding is available for the incremental costs of dedicated highway-certified AFVs and AFVs that will maximize alternative fuel use. DOE has particular interest in funding medium and heavy duty vehicles, for use on roads and highways. Priority will be given to “Niche Market” fleets (such as airport shuttle buses and vans, taxi fleets, cargo delivery vehicles, and local government fleets of refuse haulers, motor pools, and support operations) that demonstrating a strategy which concentrates AFVs in activity centers that maximize infrastructure utilization. Proposals that include bi-fuel or dual fuel AFV technologies must submit a fuel use data collection and reporting plan that will be used for the duration of the project to document and verify maximum fuel usage. In addition, bi-fuel or dual fuel AFV proposals must describe what refueling infrastructure is available and how the applicant will ensure maximum alternative fuel use. Incremental costs for AFV projects must be calculated on the net price difference between the proposed AFV and a similarly equipped, conventionally-fueled vehicle after all other applicable manufacture and local/State rebates and cash equivalent incentives are applied. Documentation supporting the cost of the vehicles to be acquired must accompany the proposal. Any vehicles which are acquired with SEP funds must display a Clean Cities decal provided by DOE. In this category, the Clean Cities program is interested in funding approximately nine (8) to fourteen (13) projects not to exceed \$100,000 per project on light duty vehicles, and \$200,000 per project on medium and heavy duty vehicles. A cost share of 33 1/3% is required.

Category 1b: Niche Markets - Platform development. Clean Cities will also consider a limited number (1-2) of proposals for AFV platform development. We recognize that it is becoming increasingly difficult to expect one entity to undertake the risk to develop an AFV engine/platform, especially for speciality or niche markets. Proposals are limited to medium and heavy duty on-road alternative fuel vehicles. Only total vehicle integration projects will be considered (not conversion kits or components for individual engine families or fuel systems). We are particularly interested in proposals for a front-engine Type C school bus. Proposals must identify the vehicle platform and fuel type to be developed, project partners, and the cost-share contribution of each. The proposal must also contain a development time line that includes adequate field-test and shakedown activities. The project must have a major auto, truck or engine manufacturer as part of the development team. The project manager and his time commitment must be identified. The proposal must include documentation to describe a potential market large enough to offset development costs, and a brief description on the marketing strategy to be employed to sell the vehicle. The end result should be a product that is commercially available within 2 years or less of grant award date. The proposed engine/fuel system must be emissions certified to meet EPA standards for the period when the vehicle will be commercialized, and any vehicle chassis/platform modifications must comply with applicable Federal highway safety standards for that period of time. In this category, the Clean Cities program is interested in funding approximately 1-2 projects not to exceed \$200,000 per project. A cost share of 50% is required.

Category 2: Projects that develop AFV refueling infrastructure. Infrastructure projects can include new facilities or upgrades and improvements to existing AFV fueling sites. Project proposals should include the fuel type, estimated fuel use sales (i.e. fuel quantity based on fleet commitments, not the total capacity of the station), and the projected number of AFVs that will use the facility. Whenever possible, identify actual fleets that have pledged to use the site and include letters of commitment to that effect. Projects that include fleet commitments for fuel purchases at the fueling site will be of particular interest. Extra consideration will be given to fueling sites that have public access provisions. Projects that include card lock systems must utilize a universal reader technology and, whenever possible, support station networking protocols already established in the region. Refueling sites that contribute to an infrastructure corridor development plan or strategy are desirable and should be clearly noted. Also desirable are refueling stations which will provide alternative fuels to EPA-covered (Federal, State, and fuel provider) fleets. These fleets should be identified. Each fueling site location must be identified (a sketch or simplified site layout drawing is desirable), and applicants must submit a project implementation plan that includes a proposed construction schedule, a discussion of permitting requirements, and environmental assessment needs. The applicant has one (1) year after the award date to complete local permitting requirements or DOE funds will be de-obligated. In this category, the Clean Cities is interested in funding approximately seven (7) to ten (10) projects not to exceed \$150,000 per project in this category. Clean Cities will also fund three (3) to four (4) “cluster” projects not to exceed \$250,000 per project. A “cluster” project contains a minimum of three refueling sites in a specific geographic area to offer greater fuel use options by fleets. A cost share of 33 1/3%, with 50% of this amount in cash, is required.

Category 3: Projects that deploy alternative fuel school buses. Funding is available to support DOE's Energy Smart Schools initiative, by paying for the incremental costs of alternative fuel school buses. No projects involving the use experimental vehicle technologies will be funded. Proposers are encouraged to coordinate/partner with bus OEMs and other school bus fleets interested in similar vehicle platforms in an effort to maximize factory orders for specific vehicle types. Priority will be given to projects that are identified as being part of this type of industry consortium partnership. Alternative fuel school buses in this category must use emissions certified engines from original equipment manufacturers (OEMs). DOE has particular interest in funding larger projects (which include 5 or more new alternative fuel buses going to one location), as well as expansion projects where additional AFV buses are being acquired to grow existing AFV fleets. Any vehicles which are purchased with DOE funds must display a Clean Cities decal, provided by DOE. In this category, the Clean Cities program is interested in funding approximately five (5) projects not to exceed in the range of \$100,000 to \$200,000 per project. A cost share of 20%, with 25% of this amount in cash, is required.

Category 4: Projects that promote awareness of AFVs by using prominent permanent vehicle signage (e.g.; transit buses, shuttle vans, delivery trucks, etc.). Funding is available for prominent signage permanently affixed to vehicles that clearly identifies them as AFVs (e.g.; "Powered by Clean Natural Gas", "Electric Powered Vehicle", etc.). Proposals in this category should include a design or sketch of the proposed signage layout clearly indicating the size of the print/graphics, the proposed location on the vehicle, and a description of the anticipated audience or public exposure potential. Projects will not be considered if they are part of commercial advertising campaigns or involve the lease/purchase of temporary advertising space or are for special events or short periods of time. Signage must include the Clean Cities logo in some form. Fleets that cannot display the Clean Cities logo due to pre-existing contractual or legal reasons must request a waiver from this provision as part of the proposal. DOE retains the right to approve/disapprove the final design. In this category, the Clean Cities program intends to fund between three (3) and six (6) projects not to exceed \$25,000 per project. A cost share of 20% is required.

Category 5: Clean Cities Coordinator positions. The Clean Cities Coordinator is critical to coalition success. Coordinator responsibilities include, but are not limited to: organizing and holding "Advancing the AFV Choice" events; developing fund-raising strategies and/or writing grant proposals; holding public education and outreach campaigns; developing legislative strategies; and developing and promoting training programs on the maintenance of AFVs. Although DOE prefers to fund full-time coordinators at \$25,000 per project, we recognize that not all coalitions are large enough to support a full-time coordinator. Therefore, DOE will consider funding a limited number of part-time coordinators at \$15,000 per project. Applications must specify the percentage of time the coordinator will spend in the position. DOE funding for a coordinator position is intended to enhance the sustainability of the coalition. Therefore, coordinators funded by DOE must be employed by the coalition host organization, and must not be contractor personnel. DOE will fund approximately sixteen (16) projects in this category. A cost share of 50%, with 50% of this amount in cash, is required. DOE assistance in this category is intended to be a temporary mechanism to help coalitions become more self-sustaining. Therefore, coalitions that have not received coordinator funding in the past two years under SEP Special Projects will receive priority.

Evaluation Criteria for Niche Markets, Infrastructure, and School Buses - Categories 1, 2, and 3 respectively

Proposals submitted in categories 1, 2, and 3 will be evaluated and ranked by the following criteria:

1) Probability of project success based on the technical feasibility of the project, thoroughness of project implementation plan, identification and qualifications of appropriate team members, and quality of supporting documentation (i.e. letters of commitment, equipment bids, etc.).

(40 points)

2) Energy security benefits as indicated by the estimated amount of fuel dispensed at alternative fuel refueling stations introduced as a result of this project and/or by the estimated alternative fuel used in vehicles purchased in categories one (1) and three (3). (20 points)

3) Probability of project success, as indicated by coalition and partner(s) past performance as reflected in the final report and WinSaga data base. The proposal should demonstrate that the team has sufficient expertise and experience to bring the project to a successful conclusion. Grading factors will include: successful prior project management experience with significant AFV and infrastructure deployment results, prior AFV related grant implementation success; and consistency with previously documented coalition goals, and completeness of 2001 Clean Cities Annual Survey. (10 points)

4) Extent to which project will contribute to a sustainable alternative fuel market and potential for future growth without additional Federal funding. (10 points)

5) Visibility of project activities - probability of increasing awareness and acceptance of alternative fuels and AFVs among target sectors in the local community including, but not limited to, current stakeholders, fleet operators, media, and the general public. (10 points)

6) Greater cost share participation or cash equivalent contribution than what is required. Financial investment and active participation from other coalition stakeholders and partners are strongly encouraged. (10 points)

Evaluation Criteria for Vehicle Signage - Category (4)

Proposals submitted in Category 4 will be evaluated by the following criteria:

1) Prominent signage layout and easy to understand message theme. (30 points)

2) Potential for public exposure or high impact visibility. (30 points)

3) Length of time signage will be displayed. (25 points)

4) Discussion of public information or outreach plan or activities that will complement signage. (15 points)

Evaluation Criteria for Coordinators - Category 5

Proposals submitted in Category 5 will be evaluated by the following criteria:

1) Ability to strengthen the Clean Cities coalition to help meet its Program Plan/Memorandum of Understanding (MOU) goals for (a) alternative fuel vehicle and infrastructure deployment; (b) fleet operator recruitment and outreach; (c) and public education and information. (35 points)

2) Probability of success, as indicated by the past performance of the coalition. If there is no record of past performance, the proposal can be evaluated on future potential. Grading factors will include: successful prior project deployment and grant implementation; coordination and consistency with previously documented coalition goals; progress accelerating the deployment of AFVs; and quality and quantity of participating stakeholders and partners. Potential leveraging of future resources may also be considered, if applicable. (30 points)

3) Visibility of coordinator activities - probability of increasing awareness and acceptance of alternative fuels and AFVs among target sectors in the local community including, but not limited to: current stakeholders, fleet operators, media, and general public. (20 points)

4) Greater than a 50% cost share participation or greater than 50% of the cost share in cash. Leveraging and active participation from other coalition stakeholders and partners are strongly encouraged. (15 points)

Program Policy Factors

The DOE Clean Cities program will apply program policy factors. The following factors will not be point scored but will be assessed: geographic location of applicant, diversity of alternative fuels, and demonstrated need for Federal funding.

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